



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AUDIT EXAMINATION OF THE  
CARTER COUNTY FISCAL COURT**

**Fiscal Year Ended June 30, 1999**

**EDWARD B. HATCHETT, JR.  
AUDITOR OF PUBLIC ACCOUNTS  
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## **EXECUTIVE SUMMARY**

### **CARTER COUNTY ALICE JOY BINION, COUNTY JUDGE/EXECUTIVE FISCAL COURT AUDIT FISCAL YEAR ENDED JUNE 30, 1999**

We have completed our audit of the Carter County Fiscal Court for fiscal year ended June 30, 1999. The County Treasurer maintained her records in an excellent manner that allowed us to efficiently complete the audit. The audit report contains no comments or recommendations and the fiscal court complied with laws and regulations applicable to it. The financial statement prepared by the County Treasurer presents fairly the results of the operations for the year. No other significant items came to our attention during the audit of the Carter County Fiscal Court.



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## Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Alice Joy Binion, Carter County Judge/Executive

Members of the Carter County Fiscal Court

### Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Carter County, Kentucky, as of June 30, 1999, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Carter County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Carter County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Carter County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1999, in conformity with the cash basis of accounting described above.

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Alice Joy Binion, Carter County Judge/Executive

Members of the Carter County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Carter County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated July 28, 2000, on our consideration of Carter County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.

Auditor of Public Accounts

Audit fieldwork completed -

July 28, 2000



CARTER COUNTY OFFICIALS

Fiscal Year Ended June 30, 1999

Alice Joy Binion	County Judge/Executive
Michael B. Fox	County Attorney
Hugh McDavid	County Clerk
Roy Gee	Circuit Court Clerk
Kevin McDavid	Sheriff
Randall Keith Binion	Jailer
Charlie Kiser	Property Valuation Administrator
Glenna Wallace	County Treasurer
George Sparks	Coroner
Jack Dinkens	Magistrate
Lonnie Sturgill	Magistrate
William Webb	Magistrate
Carlos Wells	Magistrate
Oral Carper	Magistrate

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STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS



CARTER COUNTY  
STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1999

Assets

General Fund:	
Cash	\$ 831,285
Road and Bridge Fund:	
Cash	319,858
Jail Fund:	
Cash	83,044
Local Government Economic Assistance Fund:	
Cash	83,797
Enhanced 911 Fund:	
Cash	41,811
1979 Kentucky Residential Mortgage Revenue Bond Defeasance Fund:	
Cash	58,596
Community Development Block Grant Revolving Loan Fund:	
Cash	65,529
Forestry Fund:	
Cash	7,410
Governor's Surplus Spending Fund:	
Cash	814
Retirement Account - Cash	8,153
Health Insurance Account - Cash	920
Insurance Account - Cash	80
State Tax Account - Cash	<u>2,620</u>
Total Assets	<u><u>\$ 1,503,917</u></u>

The accompanying notes are an integral part of the financial statements.

CARTER COUNTY  
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
 ARISING FROM CASH TRANSACTIONS  
 June 30, 1999  
 (Continued)

Liabilities and Fund Balances

Liabilities

Retirement Account	\$ 8,153
Health Insurance Account	920
Insurance Account	80
State Tax Account	2,620

Fund Balances

Reserved:

Local Government Economic Assistance Fund	83,797
Enhanced 911 Fund	41,811
1979 Kentucky Residential Mortgage	
Revenue Bond Defeasance Fund	58,596
Community Development Block Grant	
Revolving Loan Fund	65,529
Forestry Fund	7,410
Governor's Surplus Spending Fund	814

Unreserved:

General Fund	831,285
Road and Bridge Fund	319,858
Jail Fund	83,044

Total Liabilities and Fund Balances	<u>\$ 1,503,917</u>
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The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES





CARTER COUNTY  
STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 3,046,705	\$ 1,392,514	\$ 1,181,704	\$ 101,129
Transfers In	<u>357,272</u>		<u>67,180</u>	<u>150,000</u>
Total Cash Receipts	<u>\$ 3,403,977</u>	<u>\$ 1,392,514</u>	<u>\$ 1,248,884</u>	<u>\$ 251,129</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 2,525,024	\$ 620,445	\$ 1,058,505	\$ 286,177
Transfers Out	<u>357,272</u>	<u>357,272</u>		
Total Cash Disbursements	<u>\$ 2,882,296</u>	<u>\$ 977,717</u>	<u>\$ 1,058,505</u>	<u>\$ 286,177</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 521,681	\$ 414,797	\$ 190,379	\$ (35,048)
Cash Balance - July 1, 1998	<u>970,463</u>	<u>416,488</u>	<u>129,479</u>	<u>118,092</u>
Cash Balance - June 30, 1999	<u><u>\$ 1,492,144</u></u>	<u><u>\$ 831,285</u></u>	<u><u>\$ 319,858</u></u>	<u><u>\$ 83,044</u></u>

The accompanying notes are an integral part of the financial statements.

CARTER COUNTY  
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN CASH BALANCES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

Jail Fund	Local Government Economic Assistance Fund	Enhanced 911 Fund	1979 Kentucky Residential Mortgage Revenue Bond Defeasance Fund	Library Grant Fund	Community Development Block Grant Revolving Loan Fund	Forestry Fund
\$ 101,129 150,000	\$ 121,035 110,000	\$ 192,954 30,092	\$ 1,446	\$	\$ 1,704	\$ 4,100
<u>\$ 251,129</u>	<u>\$ 231,035</u>	<u>\$ 223,046</u>	<u>\$ 1,446</u>	<u>\$ 0</u>	<u>\$ 1,704</u>	<u>\$ 4,100</u>
\$ 286,177	\$ 202,211	\$ 300,817	\$	\$ 3,780	\$	\$ 3,456
<u>\$ 286,177</u>	<u>\$ 202,211</u>	<u>\$ 300,817</u>	<u>\$ 0</u>	<u>\$ 3,780</u>	<u>\$ 0</u>	<u>\$ 3,456</u>
\$ (35,048) 118,092	\$ 28,824 54,973	\$ (77,771) 119,582	\$ 1,446 57,150	\$ (3,780) 3,780	\$ 1,704 63,825	\$ 644 6,766
<u>\$ 83,044</u>	<u>\$ 83,797</u>	<u>\$ 41,811</u>	<u>\$ 58,596</u>	<u>\$ 0</u>	<u>\$ 65,529</u>	<u>\$ 7,410</u>

The accompanying notes are an integral part of the financial statements.

CARTER COUNTY  
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN CASH BALANCES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Law Enforcement Grant Fund	Governor's Surplus Spending Fund
<u>Cash Receipts</u>		
Schedule of Operating Revenue Transfers In	\$ 119	\$ 50,000
Total Cash Receipts	<u>\$ 119</u>	<u>\$ 50,000</u>
<u>Cash Disbursements</u>		
Comparative Schedule of Final Budget and Budgeted Expenditures Transfers Out	\$ 447	\$ 49,186
Total Cash Disbursements	<u>\$ 447</u>	<u>\$ 49,186</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ (328)	\$ 814
Cash Balance - July 1, 1998	<u>328</u>	
Cash Balance - June 30, 1999	<u><u>\$ 0</u></u>	<u><u>\$ 814</u></u>

The accompanying notes are an integral part of the financial statements.

CARTER COUNTY  
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Carter County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14, there are no component units which merit consideration as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Carter County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

CARTER COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1999  
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

F. Related Organizations

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on these criteria, the following are considered related organizations of Carter County Fiscal Court: Ambulance Service.

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 7.28 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 64.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of June 30, 1999, the county's deposits were fully insured or collateralized at a 100% level with collateral held by the county's agent in the county's name.

CARTER COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1999  
(Continued)

Note 4. Lease-Purchase Agreements

The county has entered into the following lease-purchase agreements:

Description	Monthly Payment	Term of Agreement	Ending Date	Principal Balance 6/30/99
Enhanced 911 Equipment #1	\$ 1,884	60 Months	1/1/01	\$ 32,423
Enhanced 911 Equipment #2	\$ 1,508	28 Months	1/1/01	\$ 27,037
Road Equipment	\$ 1,094	60 Months	10/1/02	\$ 28,553

COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE





CARTER COUNTY  
COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1999

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
General Fund	\$ 548,174	\$ 1,392,514	\$ 844,340
Road and Bridge Fund	1,166,441	1,181,704	15,263
Jail Fund	500,000	101,129	(398,871)
Local Government Economic Assistance Fund	193,000	121,035	(71,965)
Enhanced 911 Fund	171,400	192,954	21,554
1979 Kentucky Residential Mortgage Revenue Bond Defeasance Fund	1,200	1,446	246
Library Grant Fund	20,889		(20,889)
Community Development Block Grant Revolving Loan Fund	1,100	1,704	604
Forestry Fund	3,550	4,100	550
Law Enforcement Grant Fund	600	119	(481)
Governor's Surplus Spending Fund	650,000	50,000	(600,000)
Totals	<u>\$ 3,256,354</u>	<u>\$ 3,046,705</u>	<u>\$ (209,649)</u>

Reconciliation

Total Budgeted Operating Revenue Above	\$ 3,256,354
Add: Budgeted Prior Year Surplus	<u>690,300</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures	<u>\$ 3,946,654</u>

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SCHEDULE OF OPERATING REVENUE

CARTER COUNTY  
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<hr/>				
Revenue From Local Taxes <u>and Excess Fees</u>				
Sheriff:				
Real Property Tax	\$ 237,634	\$ 233,644	\$	\$
Personal Property Tax	22,859	22,859		
Excess Fees - 1998	32,727	32,727		
Advertising Costs	1,854	1,854		
Bank shares	46,661	46,661		
Franchise Taxes	45,258	45,258		
Grant Matching Reimbursement	108			
County Clerk:				
Deed Transfer Tax	23,602	23,602		
Occupational Licenses	2,244	2,244		
Delinquent Taxes	15,803	15,693		
Excess Fees - 1998	102,501	102,501		
Tangible Personal Property Taxes:				
County Clerk	77,298	77,298		
Insurance Premium Tax	387,272	387,272		
In Lieu of Taxes:				
U.S. Treasurer	6,856	6,856		
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	<u>\$ 1,002,677</u>	<u>\$ 998,469</u>	<u>\$ 0</u>	<u>\$ 0</u>
 <u>Federal Receipts - State Treasurer</u>				
Federal Disaster and Emergency Services Reimbursement	\$ 86,988	\$ 86,988	\$	\$
Flood Control Receipts	2,066	2,066		
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	<u>\$ 89,054</u>	<u>\$ 89,054</u>	<u>\$ 0</u>	<u>\$ 0</u>

CARTER COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1999  
 (Continued)

Local Government Economic Assistance Fund	Enhanced 911 Fund	1979 Kentucky Residential Mortgage Revenue Bond Defeasance Fund	Community Development Block Grant Revolving Loan Fund	Forestry Fund	Law Enforcement Grant Fund
\$	\$	\$	\$	\$ 3,990	\$
					108
				110	
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,100</u>	<u>\$ 108</u>
\$	\$	\$	\$	\$	\$
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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CARTER COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Governor's Surplus Spending Fund
<hr/>	
Revenue From Local Taxes <u>and Excess Fees</u>	
Sheriff:	
Real Property Tax	\$
Personal Property Tax	
Excess Fees - 1998	
Advertising Costs	
Bank shares	
Franchise Taxes	
Grant Matching Reimbursement	
County Clerk:	
Deed Transfer Tax	
Occupational Licenses	
Delinquent Taxes	
Excess Fees - 1998	
Tangible Personal Property Taxes:	
County Clerk	
Insurance Premium Tax	
In Lieu of Taxes:	
U.S. Treasurer	
	<hr/>
Totals	<u>\$           0</u>
 <u>Federal Receipts - State Treasurer</u>	
Federal Disaster and Emergency	
Services Reimbursement	\$
Flood Control Receipts	
	<hr/>
Totals	<u>\$           0</u>

CARTER COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 54,345	\$	\$	\$ 54,345
Medical Allotments	4,669			4,669
DUI Service Fees	3,719			3,719
Juvenile Housing Per Diem	4,390			4,390
County Road Aid	1,005,723		1,005,723	
Truck License Distribution	161,449		161,449	
Omitted Property Tax				
Strip Mine Permits	3,858	3,858		
Courthouse Rental - Administrative				
Office of the Courts	59,416	59,416		
Refunds:				
Legal Process Tax	181	181		
Drivers License	2,543		2,543	
Dog License	201	201		
State Reimbursement -				
Child Support	108,408	108,408		
Severance Taxes:				
Coal	71,130			
Mineral	46,816			
Board of Assessments	150	150		
Governor's Surplus Awards:				
Water Lines and Fire Departments	50,000			
Totals	<u>\$ 1,576,998</u>	<u>\$ 172,214</u>	<u>\$ 1,169,715</u>	<u>\$ 67,123</u>



CARTER COUNTY  
SCHEDULE OF OPERATING REVENUE  
Fiscal Year Ended June 30, 1999  
(Continued)

Local Government Economic Assistance Fund	Enhanced 911 Fund	1979 Kentucky Residential Mortgage Revenue Bond Defeasance Fund	Community Development Block Grant Revolving Loan Fund	Forestry Fund	Law Enforcement Grant Fund
\$	\$	\$	\$	\$	\$
71,130					
46,816					
<u>\$ 117,946</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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CARTER COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Governor's Surplus Spending Fund
<u>Kentucky State Treasurer</u>	
Jail:	
Allotments	\$
Medical Allotments	
DUI Service Fees	
Juvenile Housing Per Diem	
County Road Aid	
Truck License Distribution	
Omitted Property Tax	
Strip Mine Permits	
Courthouse Rental - Administrative	
Office of the Courts	
Refunds:	
Legal Process Tax	
Drivers License	
Dog License	
State Reimbursement -	
Child Support	
Severance Taxes:	
Coal	
Mineral	
Board of Assessments	
Governor's Surplus Awards:	
Water Lines and Fire Departments	<u>50,000</u>
Totals	<u>\$ 50,000</u>

CARTER COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue</u>				
Interest	\$ 33,966	\$ 14,501	\$ 11,989	\$ 1,727
Circuit Court Clerk:				
Jail Cost	23,610			23,610
Jail Bond Acceptance Fees	1,612			1,612
Licenses and Permits:				
Cable TV Franchise	24,403	24,403		
Charges for Services:				
Dispatch Service	65,449	65,449		
Telephone Commission	4,244			4,244
Telephone Surcharge	190,648			
Election Expense Reimbursement	11,730	11,730		
Tire Recycling	1,505			
Miscellaneous Items	20,809	16,694		2,813
Totals	<u>\$ 377,976</u>	<u>\$ 132,777</u>	<u>\$ 11,989</u>	<u>\$ 34,006</u>
Total Operating Revenue	<u>\$ 3,046,705</u>	<u>\$ 1,392,514</u>	<u>\$ 1,181,704</u>	<u>\$ 101,129</u>

CARTER COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1999  
 (Continued)

Local Government Economic Assistance Fund	Enhanced 911 Fund	1979 Kentucky Residential Mortgage Revenue Bond Defeasance Fund	Community Development Block Grant Revolving Loan Fund	Forestry Fund	Law Enforcement Grant Fund
\$ 1,558	\$ 1,040	\$ 1,446	\$ 1,704	\$	\$ 1
	190,648				
1,505 26	1,266				10
\$ 3,089	\$ 192,954	\$ 1,446	\$ 1,704	\$ 0	\$ 11
\$ 121,035	\$ 192,954	\$ 1,446	\$ 1,704	\$ 4,100	\$ 119

CARTER COUNTY  
SCHEDULE OF OPERATING REVENUE  
Fiscal Year Ended June 30, 1999  
(Continued)

	Governor's Surplus Spending Fund
<hr/>	
<u>Miscellaneous Revenue</u>	
Interest	\$
Circuit Court Clerk:	
Jail Cost	
Jail Bond Acceptance Fees	
Licenses and Permits:	
Cable TV Franchise	
Charges for Services:	
Dispatch Service	
Telephone Commission	
Telephone Surcharge	
Election Expense Reimbursement	
Tire Recycling	
Miscellaneous Items	
	<hr/>
Totals	\$ 0
	<hr/>
Total Operating Revenue	<u>\$ 50,000</u>

COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES





CARTER COUNTY  
COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 55,343	\$ 49,450	\$ 5,893
Secretaries	16,180	15,744	436
Assistant	4,000	3,112	888
Office Materials and Supplies	7,000	6,299	701
Office of County Attorney:			
Salaries-			
County Attorney	11,040	10,615	425
Secretaries	3,780	3,623	157
Child Support Enforcement	139,800	94,409	45,391
Office Materials and Supplies	3,200	3,094	106
Office of County Clerk:			
Printing and Advertising	12,000	7,174	4,826
Office of Sheriff			
Salaries-			
Office Assistant	2,000	460	1,540
Office Materials and Supplies	14,000	13,006	994
Fiscal Court:			
Magistrates-			
Salaries	19,500	19,500	
Expense Allowance	9,000	9,000	
Office of Property Valuation Administrator:			
Statutory Contribution	22,474	21,760	714
Office of Board of Assessment Appeals:			
Board of Supervisors	1,200	700	500

CARTER COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Office of County Treasurer:			
Salaries-			
County Treasurer	\$ 19,680	\$ 19,604	\$ 76
Assistant	12,500	11,020	1,480
Bond	3,000	2,458	542
Office Materials and Supplies	7,500	6,420	1,080
County Law Library:			
Law Librarian Salary	600	600	
Elections:			
Per Diem-			
Election Commissioners	8,000	7,702	298
Election Officers	20,000	18,134	1,866
Maintenance and Repair Services-			
Voting Machines	45,000	27,929	17,071
Printing and Advertising	1,000	820	180
Courthouse:			
Custodial Salary	18,550	18,550	
Custodial Supplies	7,000	6,755	245
Renewals and Repairs	30,000	9,046	20,954
Utilities	35,000	31,054	3,946
Miscellaneous	1,000		1,000
<u>Protection to Persons and Property</u>			
Disaster and Emergency Services:			
Payments to Government Agencies	14,555	14,555	
Ambulance Service:			
Emergency Medical Service Grant	15,000		15,000
<u>General Health and Sanitation</u>			
Dog Control:			
Dog Warden Salary	20,000	18,943	1,057

CARTER COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Health and Sanitation</u> (Continued)			
Dog Control: (Continued)			
Contracts With Private Agencies	\$ 18,000	\$ 15,825	\$ 2,175
Gasoline	1,300	875	425
Materials and Supplies	3,000	2,434	566
Dog Tag Fees	300	144	156
Telephone	1,100	629	471
<u>Social Services</u>			
General Charity and Welfare	25,000		25,000
<u>Administration</u>			
Contingent Appropriations:			
Reserve for Transfer	4,200		4,200
General Services:			
Advertising	8,000	6,193	1,807
Audit Services	30,000	11,774	18,226
Insurance - Building and Property	51,614	36,938	14,676
Memberships	4,300	4,079	221
Membership - ADD	6,658	6,657	1
Membership - KACO	900	900	
Miscellaneous	1,500	1,258	242
Fringe Benefits:			
County Contributions-			
Social Security	20,200	20,032	168
Retirement	21,600	21,302	298
Life Insurance	600	285	315
Health Insurance	20,000	12,005	7,995
Worker's Compensation	40,000	18,562	21,438
Unemployment Insurance	11,000	9,017	1,983
Total General Fund	\$ 848,174	\$ 620,445	\$ 227,729

CARTER COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u>			
<u>Roads</u>			
Office of Road Supervisor/Engineer:			
Road Supervisor Salary	\$ 25,491	\$ 25,035	\$ 456
Road Maintenance:			
Road Labor Salaries	230,000	202,935	27,065
Garage Supplies	5,000	2,456	2,544
Gasoline	50,000	29,677	20,323
Vehicle Parts and Repairs	70,000	43,399	26,601
Road Materials	630,000	629,971	29
Highway Equipment	35,000	33,646	1,354
Telephone	1,800	1,189	611
Utilities	9,000	5,414	3,586
<u>Debt Service</u>			
Other County Liabilities:			
Lease-Purchase Agreements	13,128	13,128	
<u>Administration</u>			
Contingent Appropriations:			
Reserve for Budget Transfers	44,472		44,472
Fringe Benefits:			
County Contributions-			
Retirement	22,000	18,739	3,261
Social Security	19,000	16,568	2,432
Health Insurance	35,800	35,646	154
Life Insurance	750	702	48
Total Road and Bridge Fund	<u>\$ 1,191,441</u>	<u>\$ 1,058,505</u>	<u>\$ 132,936</u>

CARTER COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u>			
<u>Protection to Persons and Property</u>			
Office of Jailer:			
Personnel Services-			
Salaries-			
Jailer	\$ 48,726	\$ 47,199	\$ 1,527
Deputies/Matrons	83,000	80,150	2,850
Food Service Personnel	27,500	26,201	1,299
Operations-			
Building Repair	200,000	1,030	198,970
Equipment Repair	3,500	2,496	1,004
Cleaning Supplies	1,000	540	460
Food	32,000	26,501	5,499
Pest Control	420	420	
Jail Linens	500	173	327
Office Supplies	2,200	1,814	386
Prisoner Hygiene	500		500
Prisoner Clothing	500		500
Routine Medical	10,000	4,874	5,126
Medical Supplies	5,000	1,066	3,934
Staff Uniforms	1,000	494	506
Staff Travel	2,500	1,595	905
Telephone	1,500	1,221	279
Utilities	12,000	8,855	3,145
Contracts With Other Counties	22,500	7,276	15,224
Miscellaneous Operating Expense	1,000	294	706
Communication Equipment	900	598	302
Juvenile Detention:			
Contracts With Other Counties	50,000	35,175	14,825
<u>Administration</u>			
General Services:			
Association Dues	300	200	100
Staff Training	900	473	427
Contingent Appropriations:			
Reserve for Budget Transfers	2,879		2,879

CARTER COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u> (Continued)			
<u>Administration</u> (Continued)			
Fringe Benefits:			
County Contributions-			
Retirement	\$ 13,000	\$ 11,908	\$ 1,092
Social Security	12,000	11,200	800
Health Insurance	14,075	14,073	2
Life Insurance	600	351	249
Total Jail Fund	<u>\$ 550,000</u>	<u>\$ 286,177</u>	<u>\$ 263,823</u>
 LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND			
<u>General Government</u>			
Office of County Coroner:			
Salaries-			
County Coroner	\$ 6,600	\$ 6,600	\$
Deputy Coroner	2,100	2,100	
Coroner Expense	3,000	2,648	352
<u>Protection to Persons and Property</u>			
County Fire Department:			
Contributions	30,000	30,000	
Disaster and Emergency Services:			
DES Coordinator Salary	5,700	5,700	
Materials and Supplies	1,500	776	724
Emergency Dispatch Services:			
Dispatchers Salaries	73,000	72,760	240
Materials and Supplies	900	498	402
Office of Public Defender:			
Public Advocacy Program	3,043	3,043	

CARTER COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND</u> (Continued)			
<u>General Health and Sanitation</u>			
Solid Waste Collection:			
Abatement Officer Salary	\$ 9,100	\$ 9,042	\$ 58
Contract/Private Agencies	9,500	8,959	541
Materials and Supplies	4,000	1,601	2,399
Soil and Water Conservation:			
Soil Conservation	6,000	6,000	
<u>Social Services</u>			
Services to Indigents:			
Food	500		500
<u>Roads</u>			
Road Maintenance:			
Materials	21,400	21,394	6
<u>Administration</u>			
Contingent Appropriations:			
Reserve for Budget Transfers	57		57
Fringe Benefits:			
County Contributions-			
Retirement	10,000	7,741	2,259
Social Security	10,000	6,999	3,001
Health Insurance	16,000	15,959	41
Life Insurance	600	391	209
Total Local Government Economic Assistance Fund	<u>\$ 213,000</u>	<u>\$ 202,211</u>	<u>\$ 10,789</u>

CARTER COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ENHANCED 911 Fund</u>			
<u>Protection to Persons and Property</u>			
Emergency Dispatch Services:			
Salaries-			
Coordinator	\$ 17,700	\$ 17,659	\$ 41
Assistants	38,000	37,491	509
Advertising	1,000		1,000
Radio Maintenance and Repair	4,000	3,617	383
Cleaning Supplies	500	146	354
Gasoline	1,500	552	948
Vehicle Parts and Repairs	1,000	68	932
Office Materials and Supplies	2,100	2,022	78
Signs	1,400	1,335	65
Mapping and Addressing	2,500	2,453	47
Postage	300	2	298
Staff Training	2,000	1,351	649
Renewals and Repairs	2,000	306	1,694
Utilities	47,560	47,069	491
Miscellaneous	1,000	247	753
Communication Equipment	147,100	147,018	82
Furniture and Fixtures	500	357	143
<u>Debt Service</u>			
Leases:			
GTE Leasing	23,000	22,606	394
<u>Administration</u>			
Fringe Benefits:			
County Contributions-			
Retirement	6,000	4,398	1,602
Social Security	6,000	4,014	1,986
Health Insurance	8,000	7,944	56
Life Insurance	240	162	78
Total Enhanced 911 Fund	\$ 313,400	\$ 300,817	\$ 12,583



CARTER COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>1979 KENTUCKY RESIDENTIAL MORTGAGE REVENUE BOND DEFEASANCE FUND</u>			
<u>General Government</u>			
Courthouse:			
Materials and Supplies	\$ 10,000	\$	\$ 10,000
Renewals and Repairs	10,000		10,000
<u>Roads</u>			
Road Maintenance:			
Road Materials	10,000		10,000
<u>Administration</u>			
Contingent Appropriations:			
Reserve for Budget Transfers	<u>28,000</u>		<u>28,000</u>
Total 1979 Kentucky Residential Mortgage Revenue Bond Defeasance Fund	<u>\$ 58,000</u>	<u>\$ 0</u>	<u>\$ 58,000</u>
<u>LIBRARY GRANT FUND</u>			
<u>Recreation and Culture</u>			
Public Libraries:			
Materials and Supplies	<u>\$ 25,889</u>	<u>\$ 3,780</u>	<u>\$ 22,109</u>
<u>COMMUNITY DEVELOPMENT BLOCK GRANT REVOLVING LOAN FUND</u>			
<u>General Government</u>			
Economic Development:			
Special Projects	<u>\$ 64,500</u>	<u>\$</u>	<u>\$ 64,500</u>

CARTER COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>FORESTRY FUND</u>			
<u>Protection to Persons and Property</u>			
Forest Fire Protection:			
Kentucky Division of Forestry	\$ 9,550	\$ 3,456	\$ 6,094
<u>LAW ENFORCEMENT</u>			
<u>GRANT FUND</u>			
<u>General Government</u>			
Office of Sheriff:			
Equipment	\$ 22,700	\$ 447	\$ 22,253
<u>GOVERNOR'S SURPLUS</u>			
<u>SPENDING FUND</u>			
<u>Protection to Persons and Property</u>			
Fire Protection Equipment	\$ 50,000	\$ 49,186	\$ 814
<u>Capital Projects</u>			
Water Transport Lines	600,000		600,000
Total Governor's Surplus Spending Fund	\$ 650,000	\$ 49,186	\$ 600,814
TOTAL BUDGET - ALL FUNDS	\$ 3,946,654	\$ 2,525,024	\$ 1,421,630

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS





Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Honorable Alice Joy Binion, Carter County Judge/Executive  
Members of the Carter County Fiscal Court

Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Carter County Kentucky, as of and for the year ended June 30, 1999, and have issued our report thereon dated July 28, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Carter County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Carter County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

Honorable Alice Joy Binion, Carter County Judge/Executive  
Members of the Carter County Fiscal Court  
Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards  
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
July 28, 2000

CERTIFICATION OF COMPLIANCE  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM  
CARTER COUNTY FISCAL COURT  
Fiscal Year Ended June 30, 1999





**CERTIFICATION OF COMPLIANCE**  
**LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM**  
**CARTER COUNTY FISCAL COURT**

The Carter County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.

Alice J. Binion  
Name  
County Judge/Executive

Hema Wallace  
Name  
County Treasurer